From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Tue, 10/20/2015 6:30:46 PM
Subject:	Daily Update

Quote of the Day

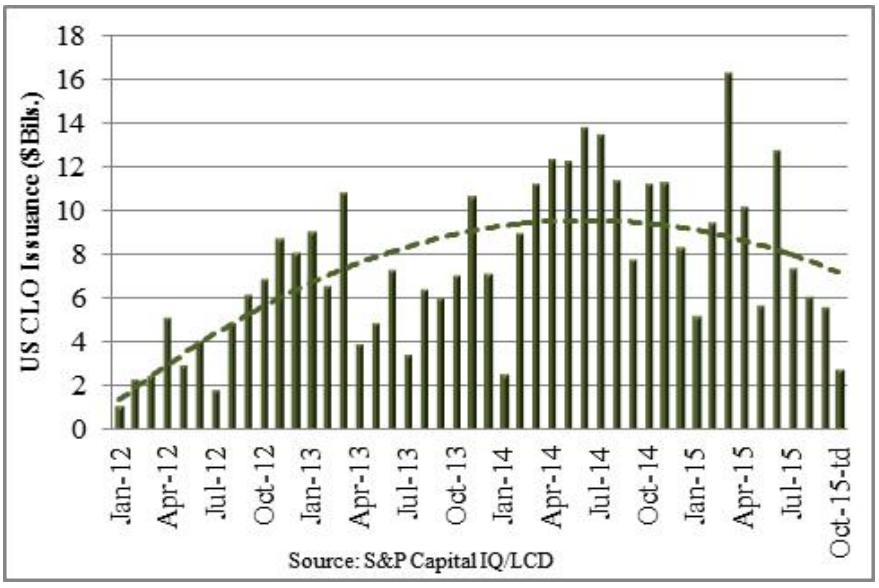
"Collectively representing the opinions of countless individual participants, it pays to pay attention to what is the greatest future discounting mechanism in human history." – Anthony Mirhaydari (on the equity market)

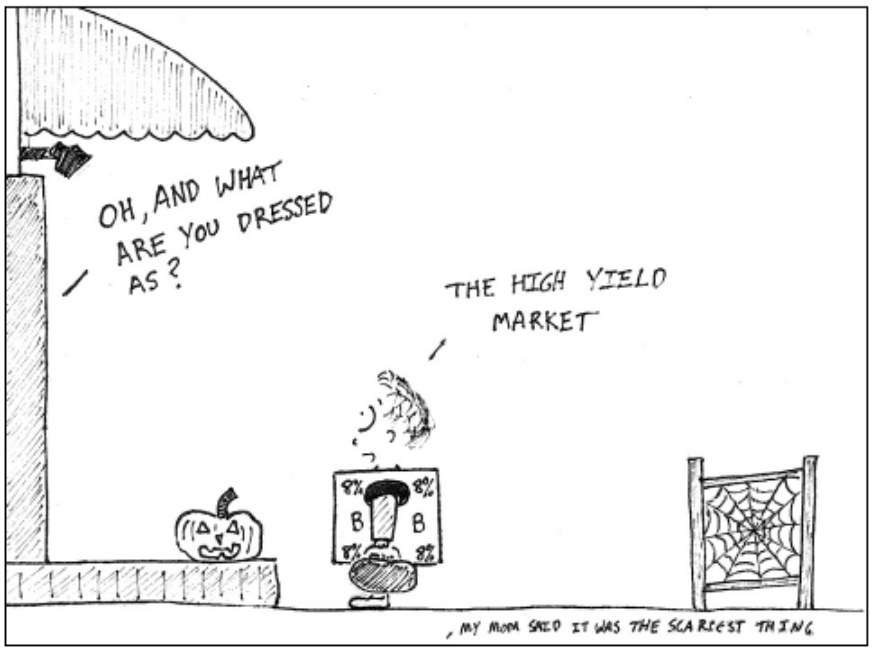
- Risk is meandering today. Europe is red. Asia is mixed. US futures have been chopping around all night. Bulls are suggesting profit taking and consolidation. Bears are buying bullets and canned food. Overall, it feels like investors are seeking the next catalyst. Policy, Growth and Earnings remain key areas of focus. Commodities were generally weaker yesterday. Gasoline was down ~6%, Copper fell almost ~2% and Oil was off ~ 2.5%. In other news, debt ceiling standoff chatter is growing again, IBM missed and reduced guidance (16th straight quarter of declining revenues), MS missed materially (profits dove 40%) and rumors of Bloomberg entering the race for president are making the rounds (again). Futures: -6. 10 year: 2.07%

- Data: Housing Starts: 1206k (vs. 1142k exp). Flash PMIs on Friday. Next Fed meeting is 10/27-10/28

- Credit: The loan market was very, very quiet yesterday. Loans continue to lag high yield bonds this month as the loan market remains afflicted with a lack of inflows and CLO formation. Another interesting tidbit (courtesy DB): October happens to be the heaviest month of coupons in HY, with $9.2bn scheduled to be paid out, a figure that exceeds average monthly coupon by a chunky $2bn. There is a $150mm OWIC out there this morning (which looks uncannily like an opportunistic SMA out of Asia) so there are sneaky bids lying in wait. This is a positive development on the demand front.

CLO Issuance





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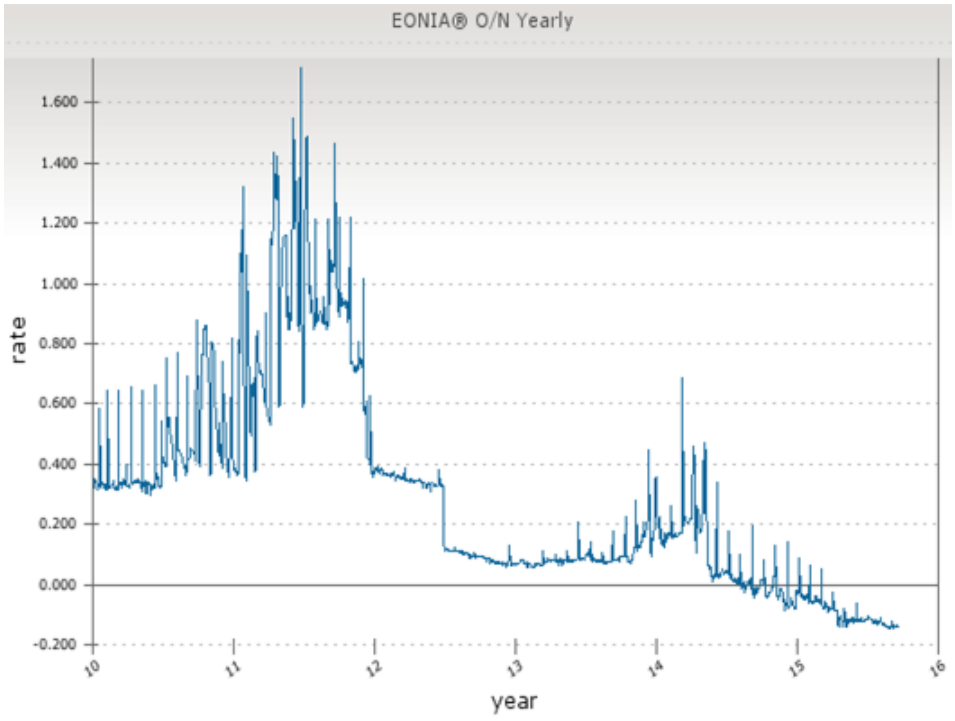
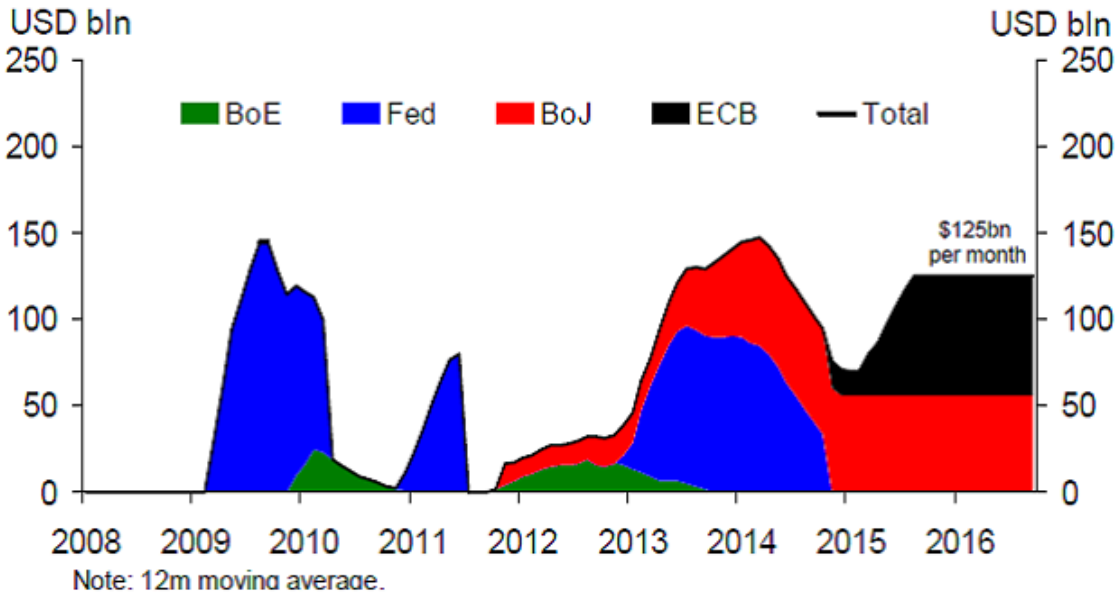
- Charts of the day:

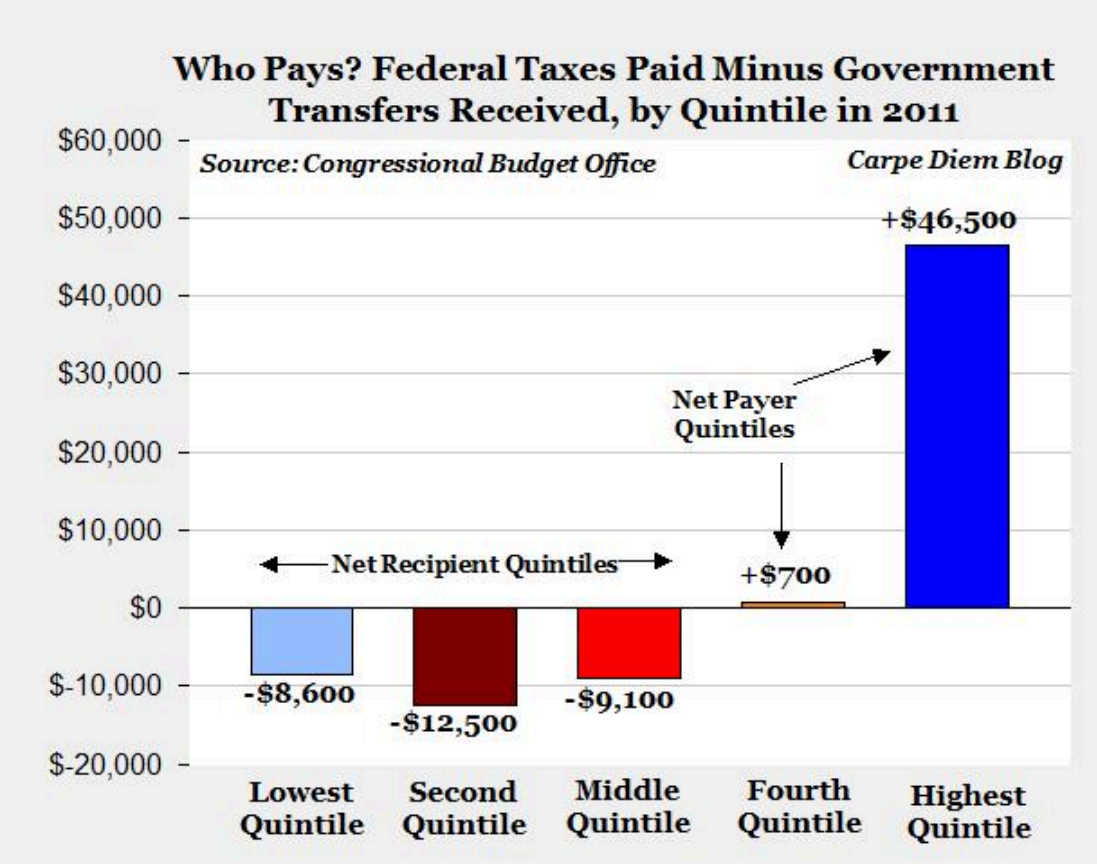
Overnight lending rates in Europe…



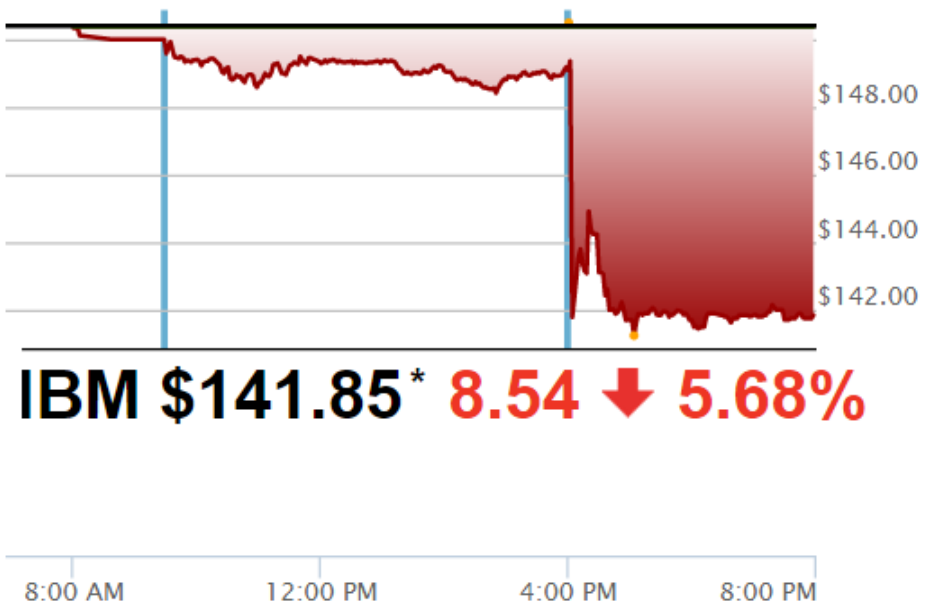
Still plenty of liquidity being added to markets: ECB and BoJ buying a combined $125bn every month



Source : BoE, DB Global Markets Research

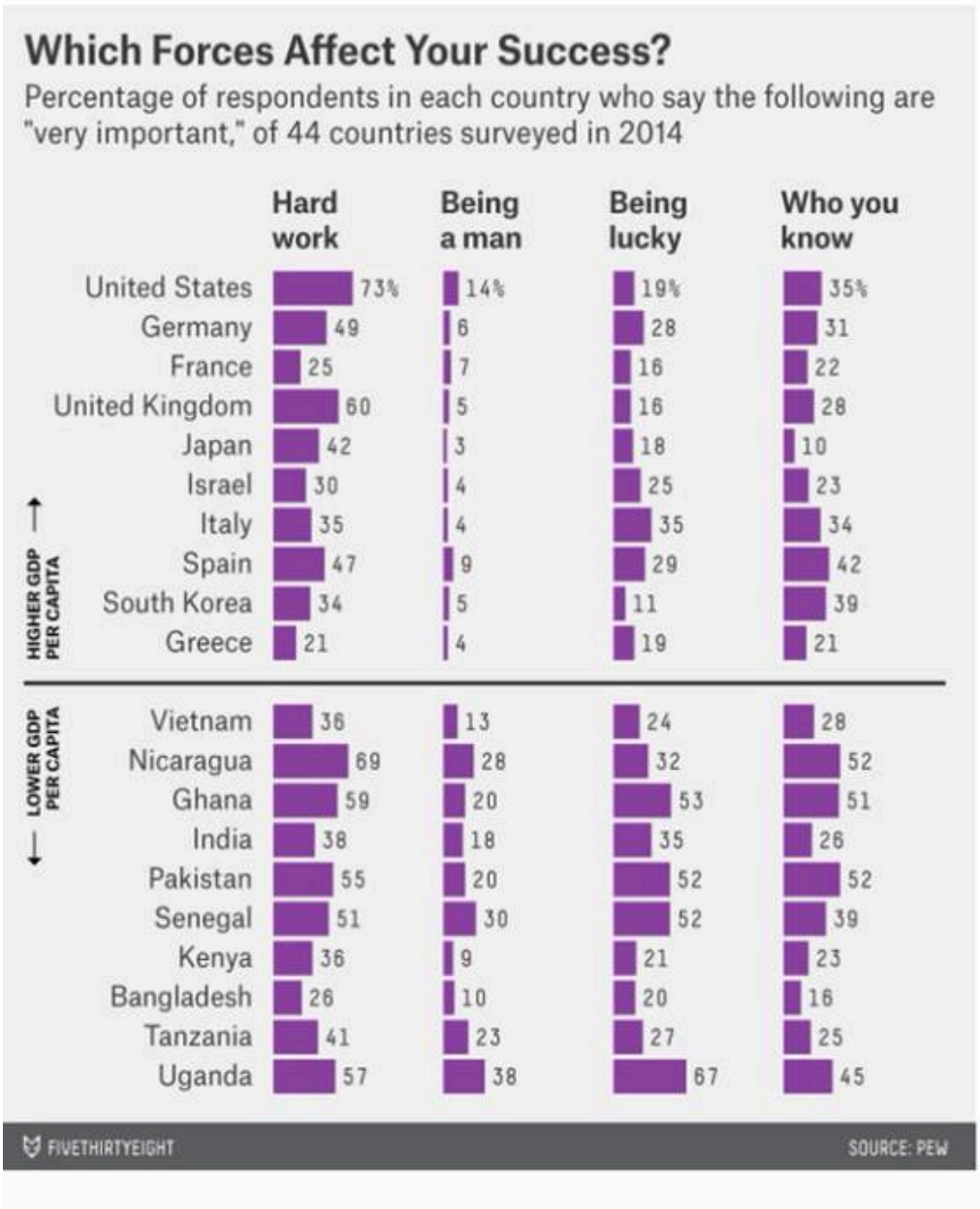


IBM



- Other:
  - Crushed http://www.wsj.com/articles/funds-hot-money-gets-burned-in-energy-trade-1445279458?mod=rss_markets_main

- Challenging Private Equity Fees Tucked in Footnotes
  http://www.nytimes.com/2015/10/18/business/challenging-private-equity-fees-tucked-in-footnotes.html?ref=dealbook
- Over A Year Before 9/11, Trump Wrote Of Terror Threat With Remarkable Clarity
  http://www.buzzfeed.com/andrewkaczynski/over-a-year-before-911-trump-wrote-of-terror-threat-with-rem?utm_term=.du5DRKynk#.jtLX24pQY
- I wish this payment was made to my account… Deutsche Bank in $6bn 'fat finger' slip-up
  http://www.ft.com/intl/cms/s/0/0546944a-7682-11e5-a95a-27d368e1ddf7.html?ftcamp=published_links/rss/companies_financials/feed//product#axzz3p6uQkuWi
- Success?


Which Forces Affect Your Success?
Percentage of respondents in each country who say the following are "very important," of 44 countries surveyed in 2014
Hard work
Being a man
Being lucky
Who you know
HIGHER GDP PER CAPITA
United States 73% 14% 19% 35%
Germany 49 6 28 31
France 25 7 16 22
United Kingdom 60 5 16 28
Japan 42 3 18 10
Israel 30 4 25 23
Italy 35 4 35 34
Spain 47 9 29 42
South Korea 34 5 11 39
Greece 21 4 19 21
LOWER GDP PER CAPITA
Vietnam 36 13 24 28
Nicaragua 69 28 32 52
Ghana 59 20 53 51
India 38 18 35 26
Pakistan 55 20 52 52
Senegal 51 30 52 39
Kenya 36 9 21 23
Bangladesh 26 10 20 16
Tanzania 41 23 27 25
Uganda 57 38 67 45
FIVETHIRTYEIGHT
SOURCE: PEW

- HY: 102 ¾ (-1/16)
- IG: 80 7/8 (+7/8)
- CSLLI: -0.7% mtd / 1.54% ytd

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